

## Message Text

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PAGE 01 MANILA 11756 121128Z

ACTION EA-12

INFO OCT-01 ISO-00 TRSE-00 HA-05 IO-13 AID-05 EB-08

CIAE-00 INR-10 NSAE-00 L-03 SS-15 SSO-00 INRE-00

/072 W

-----105447 121135Z /16

O 121114Z JUL 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC IMMEDIATE 8376

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E.O. 11652: N/A

TAGS: EAID, SHUM, RP

SUBJECT: PROPOSED IBRD LOAN: URBAN DEVELOPMENT II

REF: STATE 174502

1. WE HAVE MADE REPEATED ATTEMPTS DURING PAST EIGHT HOURS TO CONTACT OFFICIALS IN NATIONAL HOUSING AUTHORITY, NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY, OR PRESIDENTIAL MANAGEMENT STAFF WHO HAVE KNOWLEDGE OF THIS PROJECT. ALL ARE ON PROJECT VISITS OR OTHERWISE UNAVAILABLE, SO WE ARE UNABLE TO DEVELOP DETAILED INFORMATION ON PROJECT AND BENEFICIARIES WHICH HAS UNDOUBTEDLY BEEN PREPARED FOR IBRD APPRAISAL.

2. WE HAVE SOME FAMILIARITY WITH THE PROJECT, HOWEVER, FROM PREVIOUS EXPOSURE TO URBAN DEVELOPMENT I, THE TONDO FORESHORE PROJECT, AFTER WHICH URBAN DEVELOPMENT II WILL BE MODELED. THE BASIC CONCEPT IS TO UPGRADE THE LIVING CONDITIONS FOR SQUATTER FAMILIES BY PROVIDING BASIC URBAN INFRASTRUCTURE AND HEALTH, EDUCATION, AND OTHER WELFARE SERVICES, AND BY PROVIDING LOANS FOR HOUSE IMPROVEMENT MATERIALS AND COTTAGE INDUSTRIES. THE PROJECTS ALSO INCLUDE CONSTRUCTION AND REHABILITATION OF WATER AND SE-

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WERAGE FACILITIES AND ROADWAYS. THE KEY FEATURE OF URBAN I HAS BEEN THE CONCEPT OF ESTABLISHING LAND TENURE, UPGRADING IN PLACE WITH MAXIMUM COMMUNITY PARTICIPATION, MINIMUM RESETTLEMENT, AND CAREFUL PLANNING TO INSURE COST RECOVERY.

3. URBAN I CLEARLY BENEFITS THE POOR; THOSE RESIDING IN TONDO ARE AMONG THE POOREST IN MANILA, WITH MEDIAN FAMILY

INCOME \$576 PER YEAR AND PER CAPITA INCOME \$87 A YEAR. IT IS ESTIMATED THAT 3.2 MILLION PERSONS IN THE PHILIPPINES ARE LIVING AT OR BELOW THE SUBSISTENCE LEVEL IN MANILA AND IN OTHER FAST-GROWING URBAN AREAS.

4. URBAN II WILL EXPAND THE SITES AND SERVICES AREA AT DAGAT-DAGATAN (NEAR THE TONDO FORESHORE IN MANILA), AND INITIATE UPGRADING PROJECTS FOR SQUATTERS IN THE REGIONAL CITIES OF CEBU, CAGAYAN DE ORO, AND DAVAO. EMBASSY BELIEVES THAT THIS LOAN, LIKE URBAN I, WILL DIRECTLY ADDRESS THE BASIC HUMAN NEEDS OF SOME OF THE POOREST IN PHILIPPINE SOCIETY. MURPHY

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOANS, URBAN DEVELOPMENT, DEVELOPMENT LOANS  
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**Copy:** SINGLE  
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**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Handling Restrictions:** n/a  
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**TAGS:** EAID, SHUM, RP, IBRD  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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